

# **DEPARTMENT OF TRANSPORTATION**



## **Annual Report Fiscal Year 2007**

**869 Punchbowl Street  
Honolulu HI 96813**



# Director's Message

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It is my pleasure to submit the Hawaii State Department of Transportation's annual report for the Fiscal Year ending June 30, 2007.

Our department has continued its diligent work towards improving the safety and efficiency of Hawaii's highways, airports and harbors systems.

Traffic alleviation continues to be a major focus of our Highways Division. On Oahu's Leeward coast, Phase IA of the highly-anticipated North-South Road in Kapolei was completed, constructing a 0.8 mile-long section of the four-lane roadway which will link Kapolei Parkway and Farrington Highway with the H-1 Freeway. Phase II of the Fort Weaver Road Widening Project has also begun, which will widen the highway from two-to-four lanes from Aawa Drive to Geiger Road. On our neighbor islands, the Kapaa Bypass Road Extension was opened earlier this year and work on the Lahaina Bypass Road and the Queen Kaahumanu Highway Widening Project continues.

To improve road safety for our motorists, we've completed resurfacing such major roadways as the H-3 Freeway in Kaneohe, Farrington Highway through Waipahu, Aiea Access Road and sections of the Likelike Highway between Kalihi and Kaneohe and the Pali Highway between Nuuanu and Kailua. Other major resurfacing projects currently underway include the H-1 Freeway Airport Viaduct, Ala Moana Boulevard from Downtown Honolulu to Waikiki and Kamehameha Highway from Pearl City to Aiea.

Pedestrian safety improvements are also a high priority with countdown-timer crosswalk signals installed at locations on Farrington Highway through Waipahu and on the Leeward Coast. Countdown-timers have also been or are scheduled to be installed at locations on Kalihi Street, Nimitz Highway, Likelike Highway, Vineyard Boulevard, Fort Weaver Road and Ala Moana Boulevard.

During this fiscal year, Mother Nature also created the need for a number of emergency road restoration and infrastructure repair projects following rockfalls on Kamehameha Highway near Waimea Bay and on Kailua Road.

The modernization of our highways, airports and harbors infrastructure is integral to continued growth of Hawaii's vibrant economy and the quality of life of our citizens.

Mahalo nui loa,

A handwritten signature in black ink, appearing to read 'Barry Fukunaga'. The signature is stylized and written over the printed name and title.

Barry Fukunaga  
Director

# *Airports Division*

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The statewide airport system consists of eleven airports serving commercial airlines and general aviation flights and four airports serving general aviation flights only. In Fiscal Year (FY) 2007, statewide airports handled 35,154,342\* passengers, a 6.1% increase compared to the fiscal year 2006.

Security issues remain a primary concern in this post 9/11 era. The Transportation Security Administration (TSA) and the Airports Division continue their partnership to improve the passenger checkpoint and baggage screening process without adversely impacting the flow of passengers. There are plans to reconfigure the baggage screening at the Overseas Terminal ticket lobbies at Honolulu International, as well as ticket lobbies at Kahului, Lihue and Hilo International Airports. Baggage screening equipment currently located in ticket lobbies will be relocated behind the walls and integrated with conveyor systems. This will relieve congestion in the ticket lobbies and make the baggage screening portion of the check-in process appear seamless to the passengers. Future security

projects include new statewide access control systems and closed circuit television video monitoring systems.

The Airports Division ended fiscal year 2007 with increases in total passenger activity, revenue landed weights and total revenue passenger landings of 5.2%, 6.6%, and 11.9%, respectively, when compared to fiscal year 2006. Aircraft operations and deplaning international passengers decreased slightly by 4.7% and 6.6%, respectively, as compared to fiscal year 2006. These decreases can be attributed to increased airline carrier load factors and a decrease in visitors from Japan. Although inter-island carriers account for a higher percentage (43%) of revenue landed weights, the overall carrier mix remains diverse.

In terms of comparing growth from year to year, activity statistics over the last seven years reflects fiscal year 2007 as the highest performance year since the events of September 11, 2001. In general, passenger and airline activities at Hawaii's airports have demonstrated continu-

*Activity statistics reflect that fiscal year 2007 showed the highest annual performance levels since 2001 due to continued growth and traffic at airports statewide.*



ous growth. The Honolulu International Airport continues to be the state's dominant airport, although a portion of the market share has shifted to the Kahului Airport, Kona International Airport at Keahole, Hilo International Airport, and Lihue Airport, as a result of increased direct flights to these destinations. Another factor contributing to the increase in total passengers and airline traffic was increased competition in the inter-island airfare market by Mesa Airlines, Inc. The majority of the operating revenue at the Airports Division is activity-based and directly relates to the number of passengers and airline operations.

Financial results for fiscal year 2007 reflected a loss before capital contributions of \$17.3 million, as compared to income before capital contributions of \$1.3 million for fiscal year 2006. Operating revenues increased by \$4.4 million or 1.9%, while operating expenses increased by \$41.4 million or 16.4%. Total non-operating revenues increased by \$14.9 million mainly due to increases in interest income from investments and federal operating grants amounting to \$2.2 million and \$12.2 million, respectively.

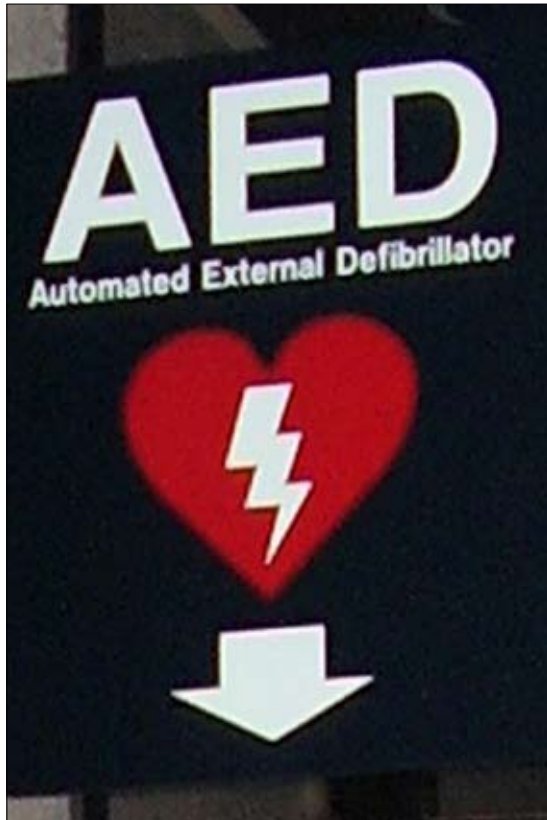
Effective October 1, 2004, the Federal Aviation Administration (FAA) granted authority to the Airports Division to impose and collect Passenger Facility Charges (PFC) at the Honolulu International Airport, Kahului Airport, Kona International Airport at Keahole, and Lihue

Airport through January 31, 2007. During this period, the Airports Division was able to collect the maximum approved PFC revenue, including interest earned amounting to \$42,632,466. The PFC collections are currently utilized to fund flight information display and public address

system improvements, air conditioning system improvements, South Ramp environmental compliance measures, runway safety area improvements, perimeter road improvements and fencing, and general aviation lighting projects.

Effective February 1, 2007, the FAA approved the Airports Division's second application to impose PFC's at the airports mentioned above, with the addition of Hilo International Airport. The maximum approved PFC revenue including interest earned to be collected between February 1, 2007, and July 1, 2011, from the five principal airports is \$104,458,000. These collections will be utilized for air rescue and fire fighting facilities improvements, elevator

and escalator improvements, loading bridge replacements, international arrivals building ceiling replacements, and air conditioning system improvements. PFC revenues are utilized for construction and construction management of FAA-approved projects which must be implemented within two years of FAA approval. The terms of the PFC approval do not permit the use of PFC revenues to pay debt service on any new or outstanding bonds issued to finance other-



*100 Automated External Defibrillators were installed in January 2007 at all state airports. Over 1,200 airport employees have taken part in American Heart Association "Heartsaver" courses offered at the various airports. Prior to this program, there were only two AEDs available for public use at Hawaii's airports.*

*Artists' rendering of the completed international arrivals corridor at the Honolulu International Airport. Located on the third floor of the Ewa Concourse, the corridor will allow international passengers to easily transfer to the international arrivals building for processing via moving walkways.*



than-approved PFC projects. Since the inception of this program through June 30, 2007, total PFC revenues, including interest earned, generated a total of \$61.3 million.

Operating expenses before depreciation for fiscal year 2007 increased by 19.5% or \$34.3 million, as compared to fiscal year 2006. This was mainly due to increases in salaries and wages, other personnel services (including security), special maintenance projects, and facility repair and maintenance costs. Special maintenance and repairs to airport terminals and runways were long overdue and of the \$24 million increase from fiscal year 2006, \$12.2 million was subsidized by increases from federal operating grants.

Total non-operating expenses for fiscal year 2007 decreased by 8.6% or \$3.5 million, as compared to fiscal year 2006, mainly due to the decrease in airport revenue bond interest expenses tied to lower average outstanding balances during the year.

During fiscal year 2005 and prior, the Airports Division acquired seven buildings upon the expiration of land lease agreements. During prior fiscal years, no amounts were recorded for the acquisitions, as appraisals at the dates of acquisition were not available. During fiscal

year 2006, appraisals were obtained for these buildings and the Airports Division recorded the value of these buildings at \$26.8 million. During fiscal year 2006, an additional \$19.6 million was recorded for property on Hickam Air Force Base, donated by the United States government in fiscal year 2001, in order to update the previously recorded amount to the appraised value of \$20.7 million.

As a result, net assets increased by \$34.1 million for fiscal year 2007, as compared to an increase of \$74.6 million for fiscal year 2006.

In summary, Airports Division continues to generate operating income before depreciation, as well as positive cash flows from operating activities. Although passenger traffic to Hawaii has stabilized along with operational revenue, operational expenses have increased in order to maintain airport services and facilities. However, the steady income stream from the diverse mix of operational revenue sources, such as passenger facility charges, interest income, funding from federal discretionary grants along with the decrease in airport system revenue bond interest, has supported the sizeable increase in operational expenses. The Airports Division continues to increase its net assets and maintains required cash reserves to conform to bond certificate covenants.

Therefore, the future financial outlook for the Airports Division continues to remain optimistic and healthy provided worldwide economic conditions and events remain stable.

**OAHU DISTRICT**

Honolulu International Airport continues to be the State’s busiest airport with a passenger traffic count of 21,057,826\* an increase of 4.9% in FY 2007, compared to FY 2006. Construction has begun on the Third Level Ewa Sterile Corridor project which will allow international passengers to arrive at the International Arrivals Building without taking the WikiWiki bus. Work is on-going on the Explosive Detection System Integration, Phase I, project at the Inter-Island Terminal and the Flight Information Display System and Public Address System Improvements throughout the airport.

<b>Honolulu International Airport</b>		
<b>Fiscal Year</b>	<b>Passengers</b>	<b>Change</b>
2007	21,057,826*	4.9%
2006	20,070,954*	0.9%
2005	19,900,298	5.4%
2004	18,877,076	-1.0%
2003	19,060,548	-0.7%
2002	19,202,734	-13.5%
2001	22,197,793	-3.6%

**MAUI DISTRICT**

Kahului Airport is the second busiest airport in the State with 6,156,066\* passengers in fiscal year 2007, an increase of 6.4% when compared to fiscal year 2006. This passenger count total is quickly approaching levels of pre-September 11, 2001, air travel. The installation of a new electrical vault to provide additional power for the upcoming Explosive Detection System (EDS) improvements project and the new Common Use Passenger Processing System (CUPPS) improvement projects in the ticket lobby and gates is on-going. The EDS project will allow security screening equipment in the ticket lobbies to be relocated in-line with baggage handling equipment “behind the walls”, outside of passengers’ view. The CUPPS project will allow for more flexibility in ticket counter assignment in the ticket lobbies.

<b>Kahului Airport</b>		
<b>Fiscal Year</b>	<b>Passengers</b>	<b>Change</b>
2007	6,156,066*	6.4%
2006	5,786,085*	1.6%
2005	5,692,595	4.7%
2004	5,436,946	0.9%
2003	5,386,688	0.1%
2002	5,380,751	12.7%
2001	6,161,475	1.0%



*New passenger check-in counter spaces with computerized kiosks, new baggage claim carousels, and a new generator building to provide additional back-up power in the event of an emergency, were installed at the Kahului Airport in May 2007. These improvements will help to make air travel more efficient for passengers.*

In 2007, Hilo International Airport saw its first renovations since its grand opening in 1974. Passenger holding areas fronting the airport shops and upstairs arcade areas were recarpeted and refurnished with Acacia wood furniture by local Hawaii vendors. The uniqueness of traditional Hawaiiana, décor, and themes were incorporated into the final design.



<b>Molokai Airport</b>		
<b>Fiscal Year</b>	<b>Passengers</b>	<b>Change</b>
2007	225,874	7.4%
2006	210,228	11.4%
2005	188,675	-4.9%
2004	198,309	1.3%
2003	195,809	-10.6%
2002	218,913	-7.8%
2001	237,482	-10.2%

<b>Kapalua Airport</b>		
<b>Fiscal Year</b>	<b>Passengers</b>	<b>Change</b>
2007	110,500	-12.5%
2006	127,448	24.4%
2005	102,403	2.2%
2004	100,177	11.2%
2003	90,058	16.1%
2002	77,588	-34.8%
2001	119,038	-5.3%

#### HAWAII DISTRICT

Traffic at Kona International Airport at Keahole, the third busiest state airport, increased 7.7% to 3,190,827\* in FY 2007 when compared to the previous year, surpassing pre-September 11 levels for the second consecutive year. Construction has begun on the second of three parking lot expansion projects.

<b>Kona International Airport at Keahole</b>		
<b>Fiscal Year</b>	<b>Passengers</b>	<b>Change</b>
2007	3,190,827*	7.7%
2006	2,962,003*	6.8%
2005	2,771,635	6.5%
2004	2,601,508	1.2%
2003	2,571,730	2.6%
2002	2,506,733	-9.9%
2001	2,780,813	0.2%

Hilo International Airport passenger traffic increased to 1,616,844 passengers in fiscal year 2007, a dramatic increase of 23.1% compared to fiscal year 2006, eclipsing pre-September 11 totals. Construction work on upgrades of the public address system is in-progress and nearly complete.

<b>Hilo International Airport</b>		
<b>Fiscal Year</b>	<b>Passengers</b>	<b>Change</b>
2007	1,616,844	23.1%
2006	1,313,716	2.4%
2005	1,283,188	8.4%
2004	1,184,171	-9.7%
2003	1,311,531	-5.9%
2002	1,394,152	-11.1%
2001	1,568,165	-2.6%

#### KAUAI DISTRICT

Lihue Airport is the fourth busiest airport in the State with 2,675,622\* passengers in fiscal year 2007, an increase of 4.3% compared to the previous fiscal year. At Lihue Airport, construction is ongoing for the first of two baggage claim improvements projects which will expand capacity for larger flights.

<b>Lihue Airport</b>		
<b>Fiscal Year</b>	<b>Passengers</b>	<b>Change</b>
2007	2,675,622*	4.3%
2006	2,565,543	1.4%
2005	2,528,997	0.3%
2004	2,522,191	0.1%
2003	2,524,432	-1.5%
2002	2,563,695	-9.2%
2001	2,823,056	-1.4%

<b>Lanai Airport</b>		
<b>Fiscal Year</b>	<b>Passengers</b>	<b>Change</b>
2007	119,783	18.1%
2006	101,457	3.7%
2005	97,804	-8.2%
2004	106,524	-13.8%
2003	123,532	-16.7%
2002	148,300	-1.1%
2001	149,974	-10.0%

\*Some passenger counts for 2007 and 2006 were updated after the Auditor's Report to reflect the reports of all airlines.



AIRPORT	CARGO			MAIL			OPERATIONS		
	FY 2007	FY 2006	% CHANGE	FY 2007	FY 2006	% CHANGE	FY 2007	FY 2006	% CHANGE
Honolulu International (HNL)	381,014	371,191	2.6%	99,836	102,576	-2.7%	320,112	316,243	1.2%
Kahului (OGG)	29,930	33,182	-9.8%	13,510	12,169	11.0%	158,807	164,717	-3.6%
Hilo International (ITO)	23,289	22,323	4.3%	1,974	2,939	-32.8%	99,437	95,620	4.0%
Kona International at Keahole (KOA)	23,478	24,333	-3.5%	7,977	7,406	7.7%	148,673	145,215	2.4%
Lihue (LIH)	14,210	13,616	4.4%	1,410	2,584	-45.4%	125,164	104,802	19.4%
Lanai (LNY)	843	933	-9.6%	181	299	-39.5%	8,564	7,664	11.5%
Molokai (MKK)	1,110	1,127	-1.5%	341	151	125.8%	38,272	40,334	-5.1%
Waimea (MUE)	2	2	0%	1,161	1,277	-9.1%	2,448	2,128	15.0%
Hana (HNM)	16	30	-46.7%	-	169	-100%	5,406	6,040	-10.5%
Kalaupapa (LUP)	170	183	-7.1%	22	28	-21.4%	3,530	4,394	-19.7%
Kapalua (JHM)	877	751	16.8%	122	0	100%	9,292	9,464	-1.8%
<b>Totals</b>	<b>474,939</b>	<b>467,671</b>	<b>1.6%</b>	<b>126,524</b>	<b>129,598</b>	<b>-2.4%</b>	<b>919,685</b>	<b>896,621</b>	<b>2.6%</b>



*Artists' rendition of upgraded baggage claim area at the Lihue Airport. Four baggage carousels will be replaced by larger and longer carousels capable of accommodating overseas passenger baggage. This \$5.1 million project opened for bids in August 2007.*

# Harbors Division

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Hawaii's system of commercial harbors consists of ten harbors on six islands. The system plays a vital role in the State's economy as Hawaii imports about 80 percent of what it consumes, of which, approximately 99 percent enters the state through the commercial harbor system.

In FY 2007, our commercial harbor facilities accommodated 2,474,798 cruise ship passengers, compared to 1,968,710 in FY 2006. Norwegian Cruise Lines (NCL) operated three U.S. flagged ships, *Pride of Hawaii*, *Pride of Aloha* and *Pride of America*, in FY 2005. Harbor master plans provide an overview of Hawaii's commercial harbor system, facilities, operations, growth projections and projected needs.

A Kahului Commercial Harbor 2030 Master Plan and Environmental Impact Statement is currently being prepared.

There is also an ongoing joint Federal and State effort to assess the feasibility of navigational improvements at Kawaihae and Nawiliwili Harbors.

Security projects remain a high priority with the Harbors Division. These projects include perimeter fencing, barricades, bomb blast abatement, infrastructure for passenger screening equipment at neighbor island cruise ship terminals, video monitoring, and identification credentialing equipment. Preparation for compliance with the upcoming Transportation Workers Identification Card mandate is in progress. The Harbors Division was successful in securing federal funds to offset some of the expense of these improvements which are at various stages of completion. The majority of funding, however, has come from the Harbors Special Fund.

A high priority with the Harbors Division is compliance with environmental regulations. To help in achieving that goal, the division started the development of an environmental management system in FY 2007. An environmental auditor inspected all maintenance facilities and developed environmental checklists that are

reviewed quarterly at each facility. An environmental management system manual based on the checklists is expected to be completed in FY 2008.

## HONOLULU HARBOR

Honolulu Harbor is the hub of the state harbor system and most of the State's cargo passes through Honolulu. The harbor accommodated 956,116 cruise ship passengers during FY 2007, an increase from 702,119 passengers during FY 2006.

In order to meet the increased demand for passenger terminal space, construction of a new cruise ship terminal at Pier 2, Honolulu Harbor, has been completed and put into use with the third home ported cruise ship. The terminal is large enough to accommodate the 965-foot "state-of-the-art" cruise ships that are currently docking in Hawaii.

Upgrades to the Sand Island container yards are also underway. With new modes of operations and equipment for containerized cargo coming in and leaving the island, the two container yards on Sand Island are being upgraded and modernized to enhance the efficient flow of goods. Construction activities have recently commenced with two separate contracts totaling over \$44.5 million.

To ensure that the operational capabilities of the harbor are maintained, \$12,163,000 was encumbered for special maintenance projects. Major special maintenance projects undertaken during FY 2007 included repairs to pier structures; repaving of container yards flexible; repairs to water, sewer and electrical service; renovation and repair of buildings, including roofing and repainting; improvements to restroom facilities; installation of harbor security enhancements; and facility modifications for Americans With Disabilities Act (ADA) compliance.

## KALAELOA BARBERS POINT HARBOR

Kalaeloa Barbers Point Harbor is the second busiest harbor in the State system. To improve



*Governor Linda Lingle tours the newly dedicated Pier 2 cruise ship terminal at Honolulu Harbor in February 2007. The terminal is capable of accommodating the largest, "state of the art" cruise ships currently in service worldwide.*

harbor capacity there is a major joint Federal/ State planning project underway to study the feasibility of deepening Kalaelea Barbers Point Harbor. This project will include the deepening of the turning basin and widening and deepening the entrance channel to the harbor.

To ensure that the operational capabilities of the harbor are maintained, \$68,000 was encumbered for special maintenance projects. The major special maintenance projects undertaken during FY 2007 was a new septic tank system for the comfort station.

#### KEWALO BASIN

No Special Maintenance funds were encumbered in FY 2007 as transfer of the harbor to HCDA was anticipated.

#### KAHULUI HARBOR

Kahului Harbor is the third busiest harbor in the state system in terms of traffic and the busiest of the Neighbor Island harbors.

In FY 2007, Kahului Harbor accommodated 392,026 cruise ship passengers over 275,593 passengers in FY 2006.

Improvements to the inter-island container terminal were underway and completed to allow for the continuance of less-than container load service to and from the Maui county tri-isles.

These improvements included acquisition of additional adjacent property, shed demolition, and paving of cargo staging and storage areas.

A total of \$1,797,000 was encumbered for several major special maintenance projects for FY 2007. The special maintenance projects undertaken included fender repairs, container yard paving, and the repair and upgrade of buildings, restrooms, and utility facilities.

#### KAUNAKAKAI HARBOR

In FY 2007, \$982,000 was encumbered for a special maintenance project that included the repair of the pier deck, maintenance of the fendering system, lighting, and causeway at Kaunakakai Harbor.

#### HILO HARBOR

Hilo Harbor is the Big Island's busiest port and is second only to Honolulu as a port of call for cruise vessels. In FY 2007, Hilo Harbor accommodated 610,348 cruise ship passengers, compared to 506,705 the previous year.

Design for a new inter-island cargo facility is underway and will include dredging and a new container yard and pier. With the increase in commerce activity at this port, expansion of the facilities is necessary to ensure the safety of cruise ship passengers while keeping the efficient movement of goods to and from the island.

To ensure that the operational capabilities of the harbor are maintained, \$672,000 was encumbered for special maintenance projects. Major special maintenance projects undertaken during FY 2007 included many paving projects.

#### KAWAEHAE HARBOR

\$477,000 was obligated for special maintenance projects in Kawaihae including pier and building structure repairs. Emergency earthquake repairs are not included in this figure.

#### NAWILIWILI HARBOR

In FY 2007, Nawiliwili Harbor accommodated 516,308 cruise ship passengers, compared to 484,293 the previous year.

\$2,784,000 was encumbered in FY 2007 for special maintenance projects which included pier and building structure repairs.

#### PORT ALLEN HARBOR

Port Allen Harbor is located on the south end of Kauai, approximately 11 miles from both Nawiliwili Harbor and Lihue Airport.

\$580,000 was encumbered in FY 2007 for special maintenance projects to cover the repair and upgrade of the existing cargo landing shed.

#### KAUMALAPAU HARBOR

The State's newest harbor is Kaumalapau

Harbor on the island of Lanai. This harbor is located on the southwest coast of Lanai and is the island's sole commercial harbor.

No special maintenance funds were spent as the breakwater construction project was underway.

#### STATEWIDE

On a statewide perspective, preparations for the new intra-island high speed ferry service by Hawaii Superferry, Inc. are nearly complete. \$40 million was authorized for the design and construction of barges and vehicle ramps to serve as facilities to berth, off-load and load passengers and vehicles between the pier and the ferry. These barges will be multi-use and are designed to accommodate multiple users. Ferry service will begin with daily round trips between Honolulu and Kahului Harbors, and Honolulu and Nawiliwili Harbors. Barges and ramp systems are being built and installed at Honolulu and Kahului Harbors and a shore-side ramp system only at Nawiliwili Harbor. With the arrival of the new vessel to the islands on June 30, 2007, the improvements are nearly complete with an anticipated start of ferry service in the first quarter of fiscal year 2008. With the planned arrival of the second ferry late in the second quarter of fiscal year 2009, service to Kawaihae Harbor on the island of Hawaii will commence, where a barge and ramp system will also be available and used to facilitate operations.

*Future improvements to Kahului Harbor are being planned in the Kahului Commercial Harbor 2030 Master Plan and Environmental Impact Statement. Kahului Harbor is the island's only commercial harbor and the third busiest harbor in the state.*



# Highways Division

The Highways Division manages approximately 2,400 lane miles of highways on six islands. The division continues its work to improve safety and increase capacity on state highways to the extent feasible with available resources and staff.

Across the state, work has continued on traffic safety countermeasure activities. Hawaii's seat belt usage rate jumped to 97.6 percent during the 2007 "Click It Or Ticket" (CIOT) campaign run between May 21 and June 3. With a 5.1 percent growth in seat belt use since the 2006 campaign, Hawaii became the first state in the nation to reach the 97 percentile compliance mark in the history of the safety campaign. The national average in 2006 was 81 percent.

National statistics have shown that the use of seat belts is the single most effective act that drivers can do to protect themselves in a traffic crash.

Hawaii's four county police departments issued 2,793 seatbelt violation citations during the two-week campaign. Statewide, an additional 170 citations were also issued for child restraint safety violations. Kauai County was at 98.3 percent; Oahu, 98 percent; Hawaii County, 97.4 percent; and Maui County, 95.7 percent.

The success of the CIOT campaign is attributed to the hard work of the DOT's many highway

safety partners, which included the four county police departments, the Department of Health, the Department of Education, the Federal Highway Administration, the Federal Motor Vehicle Carrier Safety Association, local fire departments, religious leaders, military bases, among

others. The CIOT program was also supported with a strong media campaign using television, radio and movie theatre advertisements.

To combat the problem of drunk driving, the DOT, in cooperation with the four county police departments, continued the "52/12 – 'You Drink, You Drive, You Lose'" campaign, which establishes road sobriety checkpoints during every week of every month of the year.

The DOT's annual Designated Driver or "D2" campaign was implemented during the summer months to help address the problem of drunk driving among the age 18 to 24 demographic. In this promotional partnership

with the state, local radio stations and nearly 75 nightclubs, bars and restaurants statewide, often frequented by young adults, helped to promote the "Don't Drink and Drive" message by serving complimentary soft drinks to customers who choose to be designated drivers.

The Walk Wise Hawaii (WWH) program continued its work in FY 2007 to improve pedestrian safety across our state. The program, a



*Pedestrian safety measures were installed on Farrington Highway through Waipahu, including sixty-eight new countdown-timer crosswalk signals and median divider landscaping and fencing to deter jaywalking.*

*Construction of the first phase of the new North-South Road (Phase 1A) was completed in Kapolei in March 2007 at a cost of \$17 million, creating a 0.8-mile segment between Kapolei Parkway and Farrington Highway (right). Construction workers from contractor Robison Construction Inc. lay the concrete road surface (left).*



partnership between DOT and various county agencies, provides speakers to senior groups, rotary clubs, neighborhood boards, local businesses, etc., to remind both drivers and pedestrians alike about sound pedestrian safety practices. In addition to community presentations, multi-language informational brochures and ads strategically placed in movie theatres and buses were created to reach more of the community.

In FY 2007, the WWH pedestrian education programs continued to be presented to seniors groups and other interested parties by a representative from the Honolulu Police Department. In January 2007, as a part of the Safe Routes To School (SRTS) program, the DOT began airing new television and radio ads reminding motorists to slow down when approaching and driving through school zones and to be alert for pedestrians.

#### OAHU DISTRICT

Construction of the first phase of the new North-South Road, Phase 1A, was completed in Kapolei in March 2007 at a cost of \$17 million, creating a 0.8-mile segment between Kapolei Parkway and Farrington Highway. When North-South Road is completed, it will help ease existing traffic congestion on Farrington Highway, Fort Weaver Road, and Fort Barrette Road and provide access to future developments in the area. Construction for the next two increments, which include the construction of four lanes connecting the floating Phase 1A segment to Farrington Highway and Kapolei Parkway (Phase 1B) and six lanes connecting Farrington Highway to the H-1 Freeway, a new diamond interchange and an undercrossing at the H-1 Freeway (Phase 1C), will commence in 2007, and is scheduled for completion in Fall of 2009.

*Human error created an emergency repair project in September 2006 when a heavy excavator being transported atop a flatbed truck struck and catastrophically damaged a pedestrian walkway overpass over the H-1 Freeway in Aiea. An 80-foot section was removed to ensure public safety and was later replaced in November at a cost of approximately \$500,000, to be repayed by the U.S. Army.*





*Safety improvements along Kamehameha Highway near Waimea Bay helped to keep more than 30 tons of boulders from falling onto the road in April 2007. Installed in 2000, a 1,000-foot protective fence minimized rockfall damage and helped to keep the road open. Crews responded immediately to begin the clean-up effort and to secure the hillside.*

Also designed to improve traffic in the Ewa region, Phase I of the Fort Weaver Road Widening Project increased roadway capacity from four to six lanes from Farrington Highway to Aawa Drive in Ewa Beach. Completed in August 2006, this \$8.6M project includes turn-lane improvements, shared-use pedestrian and bike paths, and drainage, sidewalk, landscaping and safety improvements. Phase II of the project will begin in October 2007 and continue the four-to-six lane widening from Aawa Drive to Geiger Road.

Farrington Highway saw a \$5.3 million upgrade from Old Fort Weaver Road to Kamehameha Highway through Waipahu by September 2006. Median landscaping with trees and greenery were installed, along with a complete resurfacing and restriping of all lanes. Pedestrian safety was also improved with median fencing and landscaping to deter jaywalking and the installation of 68 countdown-timer crosswalk signals at intersections through the entire corridor.

Many of Oahu's major roadways saw pavement resurfacing and maintenance projects in FY 2007 including Farrington Highway, Nimitz Highway, Likelike Highway, Kalaniana'ole Highway, Ala Moana Boulevard, Halawa Heights Road, and Kamehameha Highway in the Kaneohe and Waiahole areas.

Mother Nature also created the need for a number of emergency road restoration and infrastructure repair projects following a magnitude 6.7 earthquake near the Big Island's Kohala Coast and landslides generated by heavy rains on the Pali Highway in October and November of 2006.

Safety improvements along Kamehameha Highway, including a 1,000-foot protective steel fence installed in 2000, helped to minimize the damage caused by a large rockfall of more than 30 tons of stone and boulders in April 2007. DOT highway crews responded immediately to begin the clean-up effort and to secure the hillside adjacent to the highway.

Human error created another unanticipated infrastructure project in September 2006 when a heavy excavator being transported atop a U.S. Army flatbed truck struck and catastrophically damaged a pedestrian walkway overpass over the H-1 Freeway in Aiea. The 80-foot section was removed to ensure public safety and later replaced in November.

#### HAWAII DISTRICT

The first phase of the Queen Kaahumanu Widening Project from Henry Street to Kealakehe Parkway is under construction. At an estimated cost of \$36 million, the highway will be wid-

ened from a two-lane undivided highway to four-lane divided highway from Henry Street to Kealakehe Parkway. Other improvements include 6-foot wide bicycle lanes and 10-foot wide paved shoulders with completion anticipated in May 2008. Bids for construction of the second phase of this project, from Kealakehe Parkway to Kona International Airport Access Road, is scheduled to be advertised in September 2007.

Design for the Keaau-Pahoa Road Shoulder Lane Conversion, from Keaau Bypass Road to Shower Drive, is ongoing. Planning efforts for the Waimea Bypass and Kawaihae Road Bypass projects continue.

Design is also ongoing for the first of the three areas under the Hawaii Belt Road Rockfall Mitigation project.

Study for the widening of Hawaii Belt Road from two to four lanes between Henry Street to Kamehameha III Road will begin with the impending award of the planning contract.

#### MAUI DISTRICT

The contraflow operation on Haleakala Highway continues to provide relief to motorists from Upcountry Maui to Kahului and Wailuku during the morning and afternoon rush-hour traffic periods. Construction of the second phase of the Haleakala Highway Widening, from North Firebreak Road to Pukalani Bypass, is estimated to be completed in April 2008 at a cost of \$31 million.

The final two increments of the Mokulele Highway Widening, from the Maui Humane Society to the vicinity of the Kolaloa Bridge, and from Kealia Pond Driveway to Piilani Highway, continues under construction. At a cost of \$34.7 million, these projects will help to relieve traffic congestion across the isthmus from the Kihei and Wailea areas to Kahului.

Design for the first of three phases for Kihei-Upcountry Highway was awarded. Design by the design-build team for Phase-1A of the Honoapiilani Highway Realignment, from the Future

Keawe Street Extension to Lahainaluna Road is ongoing. Design for the next increment from Lahainaluna Road to Launiupoko is scheduled to begin in late 2007. Design for the widening of Honoapiilani Highway between Aholo Road to Lahainaluna Road and planning for the Honoapiilani Highway Widening/Realignment, from Maalaea Harbor to Puamana are also ongoing.

In Paia, planning for the Paia Bypass Road has begun. In Hana, design for the second phase of rockfall mitigation measures is progressing at Mile Post 19. In Kahului, consultant procure-

ment for the planning and design of the Kahului Airport Access Road should be completed in early 2008.

On Molokai, guardrail and shoulder improvements for Kamehameha V Highway from Kapuokolau to Kamalo were bid. The replacement of Kawela Bridge on Kamehameha V Highway is being proposed due to hydraulic inadequacies and non-conformance to current



*Temporary bridge structures were constructed across Kauai's Wainiha Stream to restore access to the north shore communities of Haena and Wainiha in 2007. DOT continues to work with the community to ensure that the aesthetic look of the original bridges is maintained in the new designs.*

standards. Design of the replacement bridge, consisting of two lanes with bikeways and shoulders, is scheduled for completion in 2008.

#### KAUAI DISTRICT

The "Kapaa Temporary Bypass" and the "Puhi Temporary Bypass" routes, along with the contraflow operations between Hanamaulu and Wailua continue to temporarily relieve traffic congestion in their respective areas. These interim measures are in advance of the permanent Kapaa Bypass and the Kaumualii Highway Widening projects that will provide more permanent solutions to Kauai's congestion problems.

Construction of an additional southbound lane in the area fronting Coco Palms and an additional lane on the Wailua Cane Haul Bridge are scheduled to be advertised by December 2007.

Design for the first increment of Kaumualii Highway Widening, from Rice Street to Anonui Street, is ongoing and is scheduled to be completed in late 2008.



# *Commission On Transportation*

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Chapter 26-19, Hawaii Revised Statutes, establishes the Commission on Transportation (COT) to sit in an advisory capacity to the Director of Transportation on matters within the jurisdiction of the DOT.

The COT consists of not more than 11 members, with the number of members from each county insofar as practicable being approximately proportional to the population of the respective counties to the population of the State; provided that each of the four counties shall be represented by at least one member.

The COT replaced the Hawaii Aeronautics Commission, the Board of Harbor Commissioners and the Highway Commission on July 1, 1961.

The Commission, which meets quarterly to discuss various transportation matters, is a communications conduit between the public and the Department of Transportation.

Appointed to the COT by the Governor and their terms, are:

- John Romanowski, Chair, Hawaii-Hilo, 2003-2007
- David Sproat, Vice-Chair, Kauai, 2003-2007
- Laurence Balter, Maui, 2006-2010
- William Lindemann, Oahu, 2004-2008
- David Marshall, Hawaii-Hilo, 2006-2010
- Mel Miyamoto, Oahu, 2005-2009
- Owen Miyamoto, Oahu, 2005-2009
- Ku`uhaku Park, Oahu, 2004-2008
- Pete G. Pascua, Jr., Oahu, 2006-2010
- Evans “Butch” Rubenstein, Hawaii-Kona, 2005-2006
- Gail Yuh, Oahu, 2004-2008

# Airports Division

## Statements of Revenues, Expenses, and Changes in Retained Earnings

Source: Audited Financial Statements

<b>Statements of Revenues, Expenses and Changes in Net Assets Years Ended June 30,</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Concession Fees	\$120,689,550	\$120,408,502	\$116,879,167
Aeronautical Rentals			
Nonexclusive Joint-Use Premise Charges	\$29,597,971	\$28,596,553	\$27,661,775
Exclusive Use Premise Charges	\$25,795,049	\$25,795,048	\$26,465,047
Nonaeronautical Rentals	\$12,357,911	\$11,129,569	\$12,457,247
Airport Landing Fees	\$38,049,335	\$36,084,719	\$35,463,143
Aviation Fuel Tax	\$2,169,230	\$2,590,355	\$3,434,444
Airports System Support Charges	\$617,845	\$631,406	\$655,759
Miscellaneous	\$4,156,166	\$3,762,029	\$3,141,128
<b>Total Operating Revenues</b>	<b>\$233,433,057</b>	<b>\$228,998,181</b>	<b>\$226,157,710</b>
Salaries and Wages	\$61,203,852	\$56,808,276	\$53,231,024
Other Personnel Services	\$46,145,265	\$38,410,030	\$35,499,251
Utilities	\$26,257,344	\$25,785,985	\$20,879,204
Bad Debt Expense	\$0	\$0	\$2,355,267
Special Maintenance	\$33,557,799	\$13,447,139	\$8,579,759
Repairs and Maintenance	\$12,803,202	\$8,867,925	\$9,370,571
State of Hawaii Surcharge on Gross Receipts	\$9,764,788	\$9,593,145	\$5,067,742
Materials and Supplies	\$4,520,290	\$4,599,737	\$3,919,200
Department of Transportation General Administration Expenses	\$5,723,840	\$4,999,371	\$5,431,877
Insurance	\$4,017,906	\$2,568,303	\$2,610,512
Claims and Benefits	\$1,218,413	\$1,464,232	\$1,106,854
Communication	\$331,412	\$294,133	\$364,040
Travel	\$369,546	\$340,827	\$341,505
Disbursements Out of Major Maintenance, Renewal & Replacement Acct.	\$3,488,871	\$7,962,632	\$2,440,969
Rent	\$320,837	\$300,236	\$280,978
Dues and Subscriptions	\$184,958	\$128,163	\$144,103
Printing & Advertising	\$49,330	\$13,809	\$5,328
Freight & Delivery	\$11,952	\$29,412	\$17,158
Miscellaneous	\$245,425	\$271,159	\$472,562
<b>Operating Expenses Other Than Depreciation</b>	<b>\$210,215,030</b>	<b>\$175,884,514</b>	<b>\$152,117,904</b>
Depreciation	\$82,631,333	\$75,596,942	\$77,491,244
<b>Total Operating Expenses</b>	<b>\$292,846,363</b>	<b>\$251,481,456</b>	<b>\$229,609,148</b>

<b>Statements of Revenues, Expenses and Changes in Net Assets Years Ended June 30,</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
Interest Income			
Certificate of Deposit, Repurchase Agreements & U.S. Government Securities	\$33,421,921	\$31,178,350	\$20,138,153
Investments in Direct Financing Leases	\$2,418,181	\$2,758,956	\$2,854,210
Interest Expense			
Revenue Bonds:			
Airports System	(\$34,193,858)	(\$36,747,669)	(\$40,197,393)
Special Facility	(\$2,418,181)	(\$2,758,956)	(\$2,854,210)
General Obligation Bonds	(\$1,709)	(\$2,142)	(\$2,588)
Federal Operating Grants	\$19,983,178	\$7,750,408	\$1,522,937
Gain (Loss) on Disposal of Capital Assets	(\$43,832)	(\$634,569)	(\$125,646)
Passenger Facility Charges	\$23,410,338	\$22,679,477	\$15,168,852
Amortization of Deferred Bond Issue Costs	(\$438,350)	(\$461,417)	(\$1,286,893)
<b>Nonoperating Revenues (Expenses) - Net</b>	<b>\$42,137,688</b>	<b>\$23,762,438</b>	<b>(\$4,782,578)</b>
Gain (Loss) Before Capital Contributions & Transfers	(\$17,275,618)	\$1,279,163	(\$8,234,016)
Capital Contributions & Transfers			
Federal Capital Grants	\$51,380,310	\$26,904,130	\$33,139,276
Other Capital Contributions (Buildings and Land)	\$0	\$46,368,857	\$0
<b>Total Capital Contributions &amp; Transfers</b>	<b>\$51,380,310</b>	<b>\$73,272,987</b>	<b>\$33,139,276</b>
Increase (Decrease) in Net Assets	\$34,104,692	\$74,552,150	\$24,905,260
<b>Total Net Assets, Beginning of Year</b>	<b>\$1,565,069,712</b>	<b>\$1,490,517,562</b>	<b>\$1,465,612,302</b>
<b>Total Net Assets, End of Year</b>	<b>\$1,599,174,404</b>	<b>\$1,565,069,712</b>	<b>\$1,490,517,562</b>
Increase (Decrease) in Net Assets	\$34,104,692	\$74,552,150	\$24,905,260
<b>Total Net Assets, Beginning of Year</b>	<b>\$1,565,069,712</b>	<b>\$1,490,517,562</b>	<b>\$1,465,612,302</b>
<b>Total Net Assets, End of Year</b>	<b>\$1,599,174,404</b>	<b>\$1,565,069,712</b>	<b>\$1,490,517,562</b>

# Airports Division

## Projects Completed And In-Progress

Fiscal Year 2007

Project Title	Completion Date	Cost
Ramp Control Telephone and Conferencing System at Honolulu International Airport	14-Jul-06	\$0.00
Inspection and Maintenance Services of Airport Fire Protection Equipment, Honolulu International Airport, Dillingham Airfield and Kalaeloa Airport	01-Aug-06	\$152,000.00
Furnishing and Delivering One (1) Heavy Duty Sweeper to the Honolulu International Airport	02-Aug-06	\$221,248.00
Installation of Taxiway Lighting System at Molokai Airport	20-Jul-06	\$923,685.00
Install Security Fencing at Hilo International Airport	30-Aug-06	\$1,309,722.00
Apron Phone Foundations at Gates 1C to 5, Honolulu International Airport	30-Aug-06	\$26,320.00
Furnishing and Delivery of One (1), Three Quarter (3/4) Ton, Pick-up Truck with a Dump Bed at Waimea-Kohala Airport	13-Nov-06	\$34,267.17
Tree and Hedge Trimming Services at Honolulu International Airport	29-Nov-06	\$0.00
Repaint Administrative Tower at Honolulu International Airport	02-Nov-06	\$132,060.00
Furnishing and Delivering One (1) Each 3000 Gallon Aircraft Rescue and Fire Fighting Vehicle to Kona International Airport at Keahole and One (1) Each 3000 Gallon Aircraft Rescue and Fire Fighting Vehicle to Hilo International Airport	25-Sep-06	\$1,729,903.00
Tree and Hedge Trimming Services at Honolulu International Airport	14-Nov-06	\$157,621.00
Temporary Structure - HNL ARFF Vehicles at Honolulu International Airport	10-Nov-06	\$337,200.00
Furnishing and Delivery of Two (2) Tractor Mowers with 20' Flex Wing Rotary Mower, One (1) for Molokai Airport and One (1) for Lanai Airport and One (1) Tractor Mower with 10' Flex Wing Rotary Mower for Kapalua Airport	20-Nov-06	\$178,996.98
Replace T-Hangar Doors at Lihue Airport	22-Nov-06	\$443,750.00
HATS Building Improvements at Honolulu International Airport	17-Nov-06	\$782,170.00
Furnishing and Delivering Hold Room Seats and Components at Kahului Airport	19-Dec-06	\$450,000.00
Furnishing and Delivery of Two (2) Regular Cab 4X4 Compact Pickup Trucks for the Kahului Airport	11-Jan-07	\$60,145.44
Furnishing and Delivery of Two (2) Compact/Midsize Sport Utility Vehicles, One (1) for Honolulu International Airport and One (1) for Kalaeloa Airport	05-Jan-07	\$71,798.12
Maintenance of Backflow Prevention Equipment, Honolulu International Airport	14-Feb-07	\$22,000.00
Furnishing and Delivering of One (1), One Ton, Flatbed, Dump Truck at Lihue Airport	13-Feb-07	\$33,236.50
1st and 2nd Level Roadway Improvements at Honolulu International Airport	29-Dec-06	\$2,282,457.00
Furnishing and Delivering a Tractor with 20' Flex Wing Rotary Mower to the Honolulu International Airport	12-Feb-07	\$62,395.43
Furnishing and Delivering of One (1) Front End Loader with Attachments for Molokai Airport	26-Dec-06	\$58,992.33
Furnishing and Delivery of One (1) Mid-sized, Ride-on Sweeper at Lihue Airport	09-Mar-07	\$44,791.38
ARFF Station Kitchen Renovation at Kalaeloa Airport	26-Jan-07	\$150,000.00
Renovation of 2nd Floor Lobby and Upgrade Elevator at Building 342, Honolulu International Airport	02-Aug-06	\$370,000.00
Furnishing and Delivering of One (1) 4X4 Crew Cab Mid-size Pick up Truck and Two (2) 4x4 Regular Cab Compact Pick up Truck for Molokai Airport	09-Mar-07	\$54,926.00

<b>Project Title</b>	<b>Completion Date</b>	<b>Cost</b>
Furnishing and Delivery of One (1) Airport Emergency Medical Trailer with Equipment at Kalaeloa Airport	26-Feb-07	\$99,639.35
Monitoring and Maintenance of Water System at Dillingham Airfield	22-Mar-07	\$46,000.00
Monitoring and Maintenance of Water System, Honolulu International Airport	23-Mar-07	\$97,000.00
OST Roof/Drainage Improvements at Honolulu International Airport	20-Oct-06	\$6,267,993.00
Furnishing and Delivery of One (1) 4X4 Crew Cab Mid-size Pickup Truck, One (1) Flat Bed Truck, One (1) 4-Wheel Drive 4-Door SUV and One (1) Six Passenger Crew Cab with Dump at Hilo International Airport	22-Mar-07	\$63,061.05
HNL Gates 33/34 Reroofing at Honolulu International Airport	13-Nov-06	\$833,744.00
Furnishing and Delivering of One (1) 4X4 Crew Cab Mid-size Pick up Truck and Two (2) 4x4 Regular Cab Compact Pick up Truck for Molokai Airport	11-Apr-07	\$31,141.47
Furnishing and Delivering of One (1) Water Rescue Craft and One (1) Trailer at Honolulu International Airport	20-Mar-07	\$287,027.22
Furnishing and Delivery of One (1) Skidsteer Loader with Attachments and Trailer at Honolulu International Airport	05-Feb-07	\$56,908.48
Interior Upgrade Commuter Terminal at Honolulu International Airport	17-Jan-07	\$388,300.00
Furnishing and Delivery of One (1) Regular Cab Compact/Midsize Pickup Truck and One (1) Six Passenger Crew Cab with Dump at Honolulu International Airport	03-Apr-07	\$51,331.00
Replace Telephone System at Honolulu International Airport	29-Aug-06	\$1,700,000.00
Repair and Repaint Maintenance Buildings at Lihue Airport	18-Jan-07	\$82,643.00
Third Level Sterile Corridor, Honolulu International Airport	15-May-07	\$0.00
Replace Automatic Transfer Switches at Lihue Airport	12-Apr-07	\$110,000.00
Furnishing Emergency Medical Services at the Honolulu International Airport	16-Mar-07	\$22,000.04
Replace Chiller, Kapalua Airport	14-May-07	\$139,000.00
Rehabilitate Asphalt Concrete Pavements and Reconstruct Perimeter Fence at Port Allen Airport	15-Sep-06	\$1,141,272.87
Furnish Voice Recording System, Honolulu International Airport	16-Jan-07	\$72,130.00
Furnish Voice Recording System, Honolulu International Airport	16-Jan-07	\$72,130.00
Furnishing and Delivering Waiting Room Seat Components at Honolulu International Airport	25-May-07	\$103,203.40
Repainting of Buildings at Dillingham Airfield	21-Feb-07	\$77,330.00
Operating and Maintaining Wastewater Treatment Plant, Hilo International Airport	09-Mar-07	\$85,000.00
Furnish and Deliver Jet "A" Fuel to HIA	14-Nov-06	\$31,840.00
Furnishing and Delivering One (1) 1500 Gallon Aircraft Rescue and Firefighting Vehicle to Kahului Airport	28-Jun-07	\$632,135.00
Furnishing and Delivering One (1) 1500 Gallon Aircraft Rescue and Firefighting Vehicle to Honolulu International Airport	28-Jun-07	\$629,606.00
Aircraft Rescue and Fire Fighting (ARFF) Underground Storage Tanks (UST) Removal and Training Area Demolition at Lihue Airport	30-Mar-07	\$529,543.00
Kalaeloa Airport Pavement Repairs, Phase II	30-Mar-07	\$2,218,187.00

# Airports Division

Projects Completed And In-Progress (Continued)

Fiscal Year 2007

<b>Project Title</b>	<b>Completion Date</b>	<b>Cost</b>
Repaint Terminal Facility at Kona International Airport at Keahole	07-Apr-07	\$136,543.00
Maintenance of Switchgear at Honolulu International Airport	01-Feb-07	\$76,000.00
Install Security Fence, Phase II, at Hilo International Airport	21-Jun-07	\$935,533.88
Recoat OST Deck (DH of Fan Room) at the Honolulu International Airport	10-May-07	\$218,166.00
Replacement of Elevators, Lihue Airport	28-Dec-06	\$990,856.00
Passenger Terminal Plumbing Improvements, Molokai Airport	22-Dec-06	\$59,033.00
Roof Repairs, Hilo International Airport	24-May-07	\$390,000.00
Reroof Arcade and Vault Improvements at Kona International Airport at Keahole	24-May-07	\$65,557.00
Repair of ARFF Training Pit at Kahului Airport	29-Nov-06	\$356,500.00
Replacement of Passenger Loading Bridges, Kahului Airport	31-Oct-06	\$0.00
Incident Command Response Training at Various Airports	15-Nov-06	\$149,016.00
Furnishing Waste Materials Disposal Services at Honolulu International Airport	30-Apr-07	\$51,295.00
Furnishing Drainage Canal and Ditch Pollution Control Services at Honolulu International Airport	08-Mar-07	\$30,975.00
Replacement of Passenger Loading Bridges, Hilo International Airport	30-Sep-06	\$1,934,158.00
Replacement of Passenger Loading Bridges - Phase I, Honolulu International Airport	31-Aug-06	\$5,000,000.00
Taxiway B and Hardstand Pavement Repairs at Kona International Airport	24-Jul-06	\$1,089,750.00
Runway 17-35 and Apron Pavement Repairs at Lihue Airport	21-May-07	\$3,785,000.00
Taxiway A Pavement Repairs (Phase 1), Honolulu International Airport	21-Feb-07	\$3,665,000.00
Furnishing and Delivery of One (1) Crew Cab, 4x4, Half Ton Pickup Truck for Lihue Airport	13-Feb-07	\$32,923.21
Furnishing and Delivery of One (1) Service Utility Vehicle (SUV) at the Honolulu International Airport	26-Feb-07	\$51,679.88
Recoat IIT Parking Deck at the Honolulu International Airport	10-May-07	\$1,091,200.00
AWOS Repair & Upgrade, Waimea-Kohala Airport	22-Jun-07	\$108,559.50
Furnishing and Delivering One (1) 1500 Gallon Aircraft Rescue and Firefighting Vehicle to Kona International Airport at Keahole	28-Jun-07	\$631,553.00
Furnishing and Delivery of One (1) 4X4 Crew Cab Mid-size Pickup Truck, One (1) Flat Bed Truck, One (1) 4-Wheel Drive 4-Door SUV and One (1) Six Passenger Crew Cab with Dump at Hilo International Airport	16-Mar-07	\$76,920.54

# Harbors Division

## Statements of Revenues, Expenses, and Changes in Retained Earnings

Source: Audited Financial Statements

<b>Statements of Revenues, Expenses and Changes in Net Assets Years Ended June 30,</b>	<b>2007</b>	<b>2006</b>
Operating Revenues, Net		
Services	\$58,075,787	\$56,284,498
Rentals	\$25,529,333	\$24,915,862
Others	\$2,057,430	\$2,017,110
<b>Total</b>	<b>\$85,662,550</b>	<b>\$83,217,470</b>
Operating Expenses		
Personnel Services	\$13,002,627	\$11,862,588
Harbor Operations	\$16,442,169	\$11,549,200
Maintenance	\$8,470,658	\$6,755,168
State of Hawaii, Surcharge For Central Service Expenses	\$3,024,439	\$3,083,186
Fireboat Operations	\$1,709,572	\$1,814,908
General Administration	\$1,848,051	\$1,810,272
Department of Transportation, General Administration Expenses	\$1,493,490	\$1,348,216
Depreciation	\$14,816,871	\$13,986,719
<b>Total</b>	<b>\$60,807,877</b>	<b>\$44,993,932</b>
Operating Income	\$24,854,673	\$31,007,213
Non-Operating Revenue (Expense)		
Interest Revenue		
Deposits In Investment Pool	\$11,751,112	\$6,184,167
Interest Expense		
Revenue Bonds (Note 9)	(\$12,839,231)	(\$7,655,609)
Amortization Of Bond Discount, Issue Costs And Loss On Refunding	(\$162,545)	(\$671,818)
Loss On Disposal	(\$2,831,614)	(\$858,956)
Income Before Capital Contributions	\$20,772,395	\$27,804,517
Capital Contributions	\$4,371,676	\$121,894
<b>Increase In Net Assets</b>	<b>\$25,144,071</b>	<b>\$27,926,411</b>
<b>Net Assets As Of July 1, 2006 (2005 in 2nd column)</b>	<b>\$598,118,064</b>	<b>\$570,191,653</b>
<b>Net Assets As Of June 30, 2007 (2006 in 2nd column)</b>	<b>\$623,262,135</b>	<b>\$598,118,064</b>

# Harbors Division

## Projects Completed And In-Progress

Fiscal Year 2007

Project Title	Completion Date	Cost
Furnishing and Delivering Two (2) Street Sweepers to the Harbors Division Sanitation and Grounds Unit	07-Jul-06	\$428,961.50
Repair Stanchions, Port Allen, Kauai	01-Aug-06	\$0.00
Reconstruct Restroom at Kaunalapau Harbor	01-Aug-06	\$0.00
Installation of Lift Station and Force Main, Port Allen Harbor	07-Aug-06	\$0.00
Repair Pavement at Pier 1 & Pier 2, Hilo Harbor	05-Oct-06	\$0.00
Furnishing Used Oil, Oily Water and Diesel Fuel Collection and Disposal from Piers 16-18 and 36, Honolulu Harbor and Kewalo Basin	16-Nov-06	\$87,820.32
Substructure Repairs at Kaunakakai Harbor (Phase 2)	13-Sep-06	\$300,000.00
Pavement Repairs at Piers 5 & 6, Kalaeloa Barbers Point Harbor	02-Nov-06	\$83,000.00
Furnishing and Delivery of One (1) 3/4 Ton Crew Cab 4X4 Pick-up Truck with Tow Package at the Harbors Division - Enforcement Branch, Honolulu, Hawaii	14-Dec-06	\$26,093.61
Site Preparation for Lease Parcel 9 at Pier 38, Phase I	01-Dec-06	\$133,829.00
Repair Bollards at Piers 24 & 25, Honolulu Harbor	21-Dec-06	\$84,000.00
Furnish Security Services for Port of Hilo	01-Feb-07	\$227,688.54
Replace Bollards at Piers 19-20, Honolulu Harbor	03-Jan-07	\$63,000.00
Pavement Repairs at Pier 2 Back-Up Area, Kawaihae Harbor	16-Nov-06	\$43,000.00
Furnishing Real Property Appraisal Services for DOT- Harbors Division	26-Jan-07	\$48,125.00
Substructure Repairs at Piers 8 & 9, Honolulu Harbor	01-Nov-06	\$480,000.00
Upgrade of Perimeter Fencing at Kahului Harbor	07-Feb-07	\$315,839.00
Substructure Repairs at Kaunakai Harbor (Phase 3)	18-Oct-06	\$260,000.00
Substructure Repairs at Kaunakakai Harbor (Phase 4)	18-Jan-07	\$253,000.00
Substructure Repairs at Piers 2 & 3, Hilo Harbor	07-Feb-07	\$220,000.00
Methane Mitigation, Pier 38, Lease Parcel 8	27-Mar-07	\$600,807.00
Bulkhead Repairs at Piers 19-20, Honolulu Harbor	31-Jan-07	\$830,000.00
Furnishing Security Services at Kalaeloa Barbers Point Harbor	31-May-07	\$100,220.00
Replace Sliding Doors at Warehouse No. 6, Honolulu Harbor	15-May-07	\$82,000.00
Repair Revetment at Piers 1 & 2, Nawiliwili Harbor	31-May-07	\$105,000.00
Repair Fendering at Piers 28-29, Honolulu Harbor	17-Apr-06	\$86,000.00
Repair Fender System at Pier 36, Honolulu Harbor	13-Jun-07	\$60,000.00
Pave Former Sugar Storage Area and Adjacent Lot at Hilo Harbor	06-Jun-07	\$355,000.00
Fender System Improvements at Pier 10, Honolulu Harbor	18-May-07	\$152,000.00
Pier 3 Breasting Dolphins and Catwalks, Hilo Harbor	16-Jan-07	\$3,990,000.00
Substructure Repairs to Port Allen Commercial Pier	30-Jun-06	\$371,000.00
Revetment Repairs at Pier 1, Kahului Harbor	31-May-07	\$107,000.00
Repair Gutters at Pier 19 Shed, Honolulu Harbor	30-Jun-06	\$96,000.00
Repair Pavement at Piers 13 - 14, Honolulu Harbor	19-Jun-06	\$130,300.00
Fender System Improvements at Pier 1, Kahului Harbor, Maui	22-Jun-06	\$550,000.00
Pavement Repairs at Fort Armstrong, Honolulu, Oahu	04-Apr-07	\$159,000.00
Pavement Repairs at Fort Armstrong	04-Apr-07	\$189,000.00



<b>Project Title</b>	<b>Completion Date</b>	<b>Cost</b>
Bulkhead Repairs at Pier 29, Honolulu Harbor	16-Apr-07	\$1,229,000.00
Demolition and Clearing of the Former GRG Enterprise Site at Kewalo Basin, Oahu	25-Sep-06	\$346,620.00
Substructure Repairs and Fender Replacement at Pier 2, Honolulu Harbor	14-Jun-07	\$4,694,723.00
Replace Backflow Preventers at Piers P-5 & P-6, Kalaehoa Barbers Point Harbor	26-Dec-06	\$115,500.00
FY05 One-Year Maintenance Contract for Pavement Repairs at Matson Terminals Container Yard Area, Honolulu Harbor	27-Sep-06	\$719,000.00
Repair Fenders at Pier 2, Phase 2, Kahului Harbor, Maui	10-May-07	\$150,000.00
Relamp Floodlights at Piers 1-3, Nawiliwili Harbor	23-Mar-07	\$27,800.00
Repaint Light Poles at Kaunakakai Wharf	13-Sep-06	\$40,000.00
Substructure Repairs at RO/RO Pier, Nawiliwili Harbor	31-May-07	\$208,000.00
Tug Pier Repairs at Kahului Harbor	28-Jun-07	\$108,000.00

# Highways Division

Combined Statement of Revenues, Expenditures and Changes in Fund Balance  
(All Government Fund Types, Year Ending June 30, 2007)

\*Unaudited Memorandum Only

Revenues	State Highway Fund	Capital Projects Fund	Total*
Intergovernmental			
Federal grants-in-aid	26,524,077	75,696,721	102,220,798
Taxes and fees			
Fuel taxes	85,618,276		85,618,276
Rental/Tour Vehicle Surcharge	46,988,960		46,988,960
Vehicle weight tax	33,309,160		33,309,160
Vehicle registration fees	20,765,412		20,765,412
Interest Income	16,199,340		16,199,340
Others-Revenue Bond Proceeds			0
Others	20,176,992		20,176,992
<b>Total Revenues</b>	<b>249,582,216</b>	<b>75,696,721</b>	<b>325,278,937</b>

Expenditures	State Highway Fund	Capital Projects Fund	Total*
Operating and Maintenance			
Oahu Highways and Services	78,761,846		78,761,846
Hawaii Highways and Services	23,137,546		23,137,546
Maui Highways and Services	15,952,993		15,952,993
Molokai Highways and Services	1,147,182		1,147,182
Lanai Highways and Services	342,897		342,897
Kauai Highways and Services	13,101,927		13,101,927
Motor Vehicle Safety Office	6,934,380		6,934,380
Administration	39,756,567		39,756,567
Debt Service	38,343,249		38,343,249
Surcharge for Central Services Expenses	8,136,406		8,136,406
Capital Projects		122,094,968	122,094,968
<b>Total Expenditures</b>	<b>225,614,993</b>	<b>122,094,968</b>	<b>347,709,962</b>

<b>Other Financial</b>	<b>State Highway Fund</b>	<b>Capital Projects Fund</b>	<b>Total*</b>
Excess (deficiency) of revenues over expenditures before other financial sources (uses)	23,967,222	(46,398,247)	(22,431,025)
Other financial sources (uses)			
Operating transfers in		35,869,454	35,869,454
Operating transfers out	(41,761,411)		(41,761,411)
<b>Total other financial sources (uses)</b>	<b>(41,761,411)</b>	<b>35,869,454</b>	<b>(5,891,957)</b>

Excess (deficiency) of revenues and other financial sources over expenditures and other financial (uses)	(17,794,189)	(10,528,793)	(28,322,982)
Fund balance in July 1, 2006	264,248,497	122,619,646	386,868,143
Fund balance in June 30, 2007	246,454,308	112,090,853	358,545,161
State funded highways construction program	27,393,555		

# Highways Division

## Projects Completed And In-Progress

Fiscal Year 2007

<b>Project Title</b>	<b>Completion Date</b>	<b>Cost</b>
Furnishing and Delivering Motor Vehicles, Trailers, Utility Tractors, and Equipment for DOT- Highways Division	14-Dec-06	\$576,333.46
Interstate Route H-1 Concrete Pavement Preservation Dowel Retrofit, M.P. 2.40 to M.P. 3.20 and M.P. 25.00 to M.P. 26.40	19-Jul-06	\$0.00
Hana Highway Resurfacing, Kapaula bridge to Oilowai Bridge	26-Jul-06	\$0.00
Interstate Route H-1 Rehabilitation Eastbound Lanes, Waiau Interchange to Kaimakani Street	07-Aug-06	\$0.00
Honoapiilani Highway Realignment, Future Keawe Street to Lahainaluna Road	11-Aug-06	\$0.00
Kahekili Highway Repairs and Maintenance, Waiehu Beach Road to Camp Maluhia	01-Sep-06	\$1,020,900.00
Interstate Route H-1 Resurfacing, Vicinity of Punchbowl Off-Ramp to Kapiolani Interchange	17-Jul-06	\$24,539,760.00
Route 360 Hana Highway Repairs and Maintenance, Phase - 3	14-Sep-06	\$2,195,340.00
Furnishing and Delivering Motor Vehicles, Trailers, Utility Tractors, and Equipment for DOT-Highways Division	26-Sep-06	\$70,670.00
Furnishing of Digital Videolog Goods and Services - Statewide	12-Oct-06	\$399,000.00
Furnishing and Delivering Motor Vehicles, Trailers, Utility Tractors, and Equipment for DOT - Highways Division, Islands of Oahu, Maui, Molokai, Lanai, and Kauai	18-Oct-06	\$36,830.00
Furnishing 2008 Annual Motor Vehicle Inspection Application Forms to the State of Hawaii, Department of Transportation, Motor Vehicle Safety Office	10-Oct-06	\$34,604.90
Maui District Office, Maintenance of Air Conditioning Equipment	01-Nov-06	\$47,450.00
Furnishing of Operation and Maintenance Service for Quickchange Moveable Barrier System, H-1 Contra-Flow Zipper Lane	07-Dec-06	\$760,527.50
Route 36, Hana Highway Resurfacing, Paia Town Section	03-Oct-06	\$1,522,875.00
Maintenance of Landscaped Areas, Joseph P. Leong Highway, Helemano Waialua Junction to Haleiwa Beach Park	05-Dec-06	\$69,700.00
Furnishing 2008 & 2009 Annual Motor Vehicle Inspection Stickers to the State of Hawaii, Department of Transportation, Motor Vehicle Safety Office	10-Jan-07	\$169,255.80
Interstate Route H-1 Rehabilitation, Vicinity of Makakilo Interchange	24-Apr-07	\$2,509,500.00
Halewili Road, Guardrail and Shoulder Improvements	07-Feb-07	\$992,200.00
Furnishing and Delivering Street Light Poles, Luminaires, Cables, Photo Control, Cables for Traffic Signal System, Controller Equipment, Traffic Signals, Ap-putenances and Standards	16-Feb-07	\$169,225.00
Interstate Route H-1, Kunia Interchange Improvements	29-Jan-07	\$15,140,900.00
Interstate Route H-1, Guardrail and Shoulder Improvements, Waikele Bridge to Airport Interchange	07-Mar-07	\$0.00
Kaawalii Gulch Tree and Shrub Trimming, Island of Hawaii	02-Aug-06	\$842,100.00
Bridge Repairs at Various Locations, Island of Oahu	27-Nov-06	\$618,012.50
Furnishing and Delivering Motor Vehicles, Trailers, Utility Tractors, and Equipment for DOT-Highways Division	06-Mar-07	\$292,313.58
Dairy Road Resurfacing, Keolani Place to Kuihelani Highway	18-Jan-07	\$895,200.00

<b>Project Title</b>	<b>Completion Date</b>	<b>Cost</b>
F/D posts, sign post systems, traffic cones, barricades, warning lights and sign stands.	04-Apr-07	\$114,787.25
F/D Preformed Pavement marking tape and reflective sheeting	04-Apr-07	\$15,945.20
Kawaihae Road Resurfacing, Vicinity of Kawaihae Harbor to Queen Kaahumanu Highway	23-Feb-07	\$783,820.00
Furnishing and Delivering Trailers, and Equipment for the DOT-Highways Division	14-Mar-07	\$320,250.00
Furnishing and Delivering Motor Vehicles, Trailers, Utility Tractors, and Equipment for DOT - Highways Division, Islands of Oahu, Maui, Molokai, Lanai, and Kauai	14-Mar-07	\$257,598.35
Furnishing and Delivering Motor Vehicles, Trailers, Utility Tractors, and Equipment for DOT-Highways Division	14-Mar-07	\$404,228.66
Furnishing and Delivering Motor Vehicles, Trailers, Utility Tractors, and Equipment for DOT - Highways Division, Islands of Oahu, Maui, Molokai, Lanai, and Kauai	09-Apr-07	\$99,478.53
Furnishing and Delivering Street Light Poles, Luminaires, Cables, Photo Control, Cables for Traffic Signal System, Controller Equipment, Traffic Signals, Ap-putenances and Standards	26-Jan-07	\$139,690.10
Furnishing and Delivering Motor Vehicles, Trailers, Utility Tractors, and Equipment for DOT - Highways Division, Islands of Oahu, Maui, Molokai, Lanai, and Kauai	02-Apr-07	\$2,159,189.12
Interstate Route H-1, Installation of Emergency Telephone Accessible Routes	24-Oct-06	\$372,519.00
Furnishing and Delivering Trailers, and Equipment for the DOT-Highways Division	27-Apr-07	\$286,456.50
Maintenance of Landscaped Areas, H-1 Freeway, Middle Street to Punahou Street	10-Apr-07	\$77,400.00
Maintenance of Landscaped Areas, H-3 Freeway, Vicinity of Halawa Quarry to Harano Tunnels and Hospital Rock Tunnel Area	10-Apr-07	\$37,210.24
Maintenance of Landscaped Areas, H-1 Freeway, Punahou Street to Ainakoa Avenue	10-Apr-07	\$61,100.00
Furnishing and Delivering Motor Vehicles, Trailers, Utility Tractors, and Equipment for DOT-Highways Division	15-May-07	\$803,264.46
Furnishing and Delivering Metal Guardrails, Guardrail Posts, Guardrail Hardware and Guardrail End Treatment Systems, Oahu and Kauai	17-May-07	\$84,436.00
Kalaniana'ole Highway, Emergency Landslide Repairs at Castle Junction	25-Jan-07	\$8,214,150.00
Furnishing and Delivering Railroad Ties	12-Jan-07	\$39,000.00
Furnishing and Delivering Trailers, and Equipment for the DOT-Highways Division	07-May-07	\$86,755.00
Honoapiilani Highway Widening, Maalaea Road to North Kihei Road	21-Dec-06	\$4,618,950.00
Furnishing and Maintaining Traffic Control for an Additional Right-turn Lane, Honolulu Bound at Kamehameha Highway to Pali Highway	07-Jun-07	\$28,750.00
Furnishing and Delivering Motor Vehicles, Trailers, Utility Tractors, and Equipment for DOT-Highways Division	12-Jan-07	\$97,358.54

# Highways Division

Projects Completed And In-Progress (Continued)

Fiscal Year 2007

Project Title	Completion Date	Cost
Furnishing and Delivering Motor Vehicles, Trailers, Utility Tractors, and Equipment for DOT - Highways Division, Islands of Oahu, Maui, Molokai, Lanai, and Kauai	21-May-07	\$444,850.15
Furnishing and Delivering Metal Guardrails, Guardrail Posts, Guardrail Hardware and Guardrail End Treatment Systems, Oahu and Kauai	18-Jun-07	\$73,838.00
Maintenance of Landscaped Areas, Nimitz Highway, Kalihi Stream to Richard Street, Ala Moana Boulevard, Richard Street to Kalakaua Avenue and Sand Island Access Road, Nimitz Highway to Auiki Street	11-Apr-07	\$80,000.00
Pavement Marking and Striping at Various Locations, Molokai	21-Jun-07	\$201,254.00
Hana Highway, Replacement of Kaupakulua Bridge and Approaches	29-Jun-07	\$10,238,655.00
Fort Weaver Road Widening, Near Laulaunui Street	02-Feb-07	\$6,332,371.30
Kamehameha Highway Intersection Improvements at Leilehua Golf Course Road	01-Jun-07	\$2,572,576.00
Hawaii Belt Road Drainage Improvements, Various Locations	16-May-07	\$1,522,080.00
Kaunualii Highway, Guardrail and Shoulder Improvements at Hanapepe Bridge and Mana Bridge Structure Nos. 1, 2, 3 & 4	13-Sep-07	\$500,710.00
Kahekili Highway, Lighting Improvements, Haiku Road to Ahuimanu Place	07-Feb-07	\$2,816,100.00
Oahu District Rear Maintenance Yard Resurfacing	29-Jun-07	\$516,600.00
Kunia Road Improvements, Vicinity of South Kupuna Loop to Vicinity of Honowai Street	24-Oct-07	\$1,996,299.90
Hana Highway Resurfacing, Vicinity of Waikamoi Bridge to Honomanu Bridge	27-Jun-07	\$2,348,685.00
Akaka Falls Road Resurfacing, Hawaii Belt Road to Honomu Town	18-Jul-06	\$685,219.34
Route 19G, Hawaii Belt Road Resurfacing, Vicinity of Kahawailiili Bridge to East Paaulo Bridge, MP 40.97 to MP 36.00	08-May-07	\$1,721,800.00
Kawaihae Road Guardrail and Shoulder Improvements, Kawaihae towards Waimea	06-Sep-06	\$1,113,444.78
Hawaii Belt Road, Guardrail and Shoulder Improvements, Vicinity of Kahuku	22-Sep-06	\$1,537,515.00
Pumping of Underground Holding Tanks, Interstate Route H-3 Freeway, Harano Tunnel	26-Sep-06	\$45,428.00
Kaneohe Bay Drive Improvements, Vicinity of Puohala Street to Kawa Bridge	28-Dec-06	\$3,361,400.00
Maintenance of Electrical Equipment at Interstate Route H-3 Freeway, Harano Tunnel	25-May-07	\$159,499.85
Hawaii Belt Road, Traffic Operational Improvements at Kulaimano Road	01-Jun-06	\$1,126,335.00
Pedestrian Accessibility Route Improvements, Honokaa, Hawi and Kapaau	21-Nov-06	\$2,416,672.06
Maui District Office, Maintenance of Electrical Equipments and Traffic Signals at Various Locations on State Highways, Maui	06-Mar-07	\$278,000.00
Traffic Signal Modernization at Various Locations, Kauai, Vicinity of Lihue	21-Jun-07	\$1,581,725.25
Furnishing and Delivering Motor Vehicles, Trailers, Utility Tractors, and Equipment for DOT-Highways Division	03-Jan-07	\$50,103.85
Furnishing and Delivering Street Light Poles, Luminaires, Cables, Photo Control, Cables for Traffic Signal System, Controller Equipment, Traffic Signals, Ap- putenances and Standards	15-Feb-07	\$750,352.00

